

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2013	)	MD Docket No. 13-140
	)	
Procedures for Assessment and Collection of Regulatory Fees	)	MD Docket No. 12-201
	)	
Assessment and Collection of Regulatory Fees for Fiscal Year 2008	)	MD Docket No. 08-65

**COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®**

**CTIA – THE WIRELESS ASSOCIATION®**

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## TABLE OF CONTENTS

I.	INTRODUCTION AND SUMMARY .....	1
II.	THE <i>NOTICE</i> FAILS TO RECOGNIZE THAT THE WIRELESS INDUSTRY CONTRIBUTES MORE TO THE COMMISSION’S BUDGET THAN ANY OTHER INDUSTRY SEGMENT .....	2
III.	THE PROPOSAL TO SUBJECT WIRELESS LICENSEES TO THE ITSP REGULATORY FEE CATEGORY WOULD VIOLATE THE ACT AND WOULD OTHERWISE BE ARBITRARY AND CAPRICIOUS .....	6
A.	The <i>Notice</i> Fails to Satisfy the Statutory Requirements For a “Permitted Amendment” to Congress’ Regulatory Fee Schedule .....	6
B.	Combining ITSP and Wireless Regulatees Into a Single Regulatory Fee Category Also Would Be Arbitrary and Capricious .....	7
C.	Imposing Both ITSP and Wireless Fees on Wireless Providers Would Subject Them to Duplicative and Exorbitant Assessments .....	9
IV.	THE COMMISSION MUST ENSURE THAT ANY REALLOCATION OF FTES WITHIN THE CORE BUREAUS IS CONSISTENT WITH SECTION 9 AND IS ADMINISTRABLE.....	10
A.	CTIA Supports an Updated Accounting of FTEs in Each Core Bureau.....	10
B.	The Commission Should Reconsider its Proposals to Reallocate FTEs in the International and Wireline Competition Bureaus .....	10
V.	THE COMMISSION SHOULD NOT ADD BROADBAND SERVICES TO THE REGULATORY FEE SCHEDULE .....	12
VI.	THE FCC SHOULD ENCOURAGE CONGRESS TO APPROPRIATE EXCESS FEES FOR FCC USE IN THE NEXT FUNDING YEAR.....	14
VII.	CONCLUSION.....	14

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CTIA – The Wireless Association® (“CTIA”) submits these Comments in response to the Federal Communications Commission’s (“Commission’s”) Notice of Proposed Rulemaking (“*Notice*”) and Further Notice of Proposed Rulemaking (“*Further Notice*”) seeking input on the collection of regulatory fees in Fiscal Year (“FY”) 2013 and on proposals to reform the Commission’s policies for assessing and collecting regulatory fees more generally.<sup>1</sup>

**I. INTRODUCTION AND SUMMARY**

CTIA has long supported reform of the Commission’s regulatory fee framework – most recently in October 2012 in response to the *2012 Regulatory Fees NPRM*.<sup>2</sup> As CTIA explained in those comments, the Commission has been relying on what is now 15-year old data to calculate regulatory fees, and CTIA supports the Commission’s proposal to use current full time

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<sup>1</sup> *Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC 13-74, MD Docket Nos. 13-140, 12-201, 08-65 (rel. May 23, 2013) (“*Notice*”).

<sup>2</sup> *Assessment and Collection of Regulatory Fees*, Notice of Proposed Rulemaking, 27 FCC Rcd 8458 (2012) (“*2012 Regulatory Fees NPRM*”); Reply Comments of CTIA – The Wireless Association, MD Docket Nos. 12-201, 08-65 (Oct. 23, 2012) (“CTIA 2012 Reply Comments”).

equivalent (“FTE”) employment data for each of the core bureaus so that regulatory fees more accurately reflect the work conducted by Commission staff. The *Notice* and *Further Notice*, however, set forth ill-conceived proposals that lack supporting data and clarity regarding their implications for wireless carriers and the more than 300 million customers they serve. These reform proposals violate Section 9 of the Communications Act of 1934, as amended (the “Act”) and are otherwise arbitrary and capricious. CTIA thus urges the Commission to take the following actions:

- Reject the proposal to incorporate wireless regulatees into the regulatory fee for interstate telecommunications service providers (“ITSPs”), which could result in a 24 percent or greater increase in wireless industry regulatory fees;
- Ensure that any reallocation of FTEs away from certain bureaus is consistent with Section 9 of the Act and is administrable;
- Decline to add a new regulatory fee category for broadband services; and
- Encourage Congress to appropriate excess fees for Commission use in the next funding year.

Finally, as described immediately below, any suggestion that wireless regulatees do not bear a proportionate share of the overall regulatory fee burden fails to recognize that wireless spectrum licensees contribute more to the Commission’s overall budget than any other segment of the communications industry. Thus, the Commission should reject any proposals in the *Notice* or from commenters that seek to increase the wireless industry’s share of regulatory fees based on purported fairness grounds.

## **II. THE *NOTICE* FAILS TO RECOGNIZE THAT THE WIRELESS INDUSTRY CONTRIBUTES MORE TO THE COMMISSION’S BUDGET THAN ANY OTHER INDUSTRY SEGMENT**

While Congress intended regulatory fees to be based on the burdens regulatees impose on the Commission, the *Notice* seems to veer off into a misguided and mistaken assessment

examining what proportion of regulatory fees each industry segment should shoulder.<sup>3</sup> To the extent the Commission seeks to determine some notion of a “fair share,” it must consider industry segments’ overall contributions to the

Commission’s budget – including spectrum auction proceeds that account for more than 20 percent of the Commission’s FY 2013 budget. In particular, the *Notice* suggests that ITSPs pay an unreasonably high

**[T]he wireless sector contributes more to the Commission’s overall budget than ITSPs, or any other regulated sector for that matter.**

share of the total regulatory fees collection and that wireless regulatees do not pay enough fees despite wireless revenue growth<sup>4</sup> – but it completely ignores the fact that the wireless sector contributes *more* to the Commission’s overall budget than ITSPs, or any other regulated sector for that matter.

The Commission’s overall budget for FY 2013 is approximately \$460.5 million.<sup>5</sup>

Congress directed the Commission to recover \$339.8 million through regulatory fees,<sup>6</sup> and \$98.7 million through revenues retained from spectrum auctions.<sup>7</sup> This spectrum auction revenue pays

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<sup>3</sup> As the Commission has previously explained, “Section 9 is clear... that regulatory fee assessments are based on the burden imposed on the Commission, not benefits realized by regulatees.” *Assessment and Collection of Regulatory Fees for Fiscal Year 2007*, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 15712, 15719-20 (2007).

<sup>4</sup> See *Notice*, ¶¶ 11, 16.

<sup>5</sup> See *Federal Communications Commission, Fiscal Year 2014 Budget Estimates Submitted to Congress*, 3 (Apr. 2013) (“FY 2014 Budget”).

<sup>6</sup> See *Notice*, ¶ 5; Consolidated and Further Continuing Appropriations Act, Pub. L. 113-6 (2013) at Division F, § 1101(c) (“2013 Appropriations”) (authorizing the Commission to collect regulatory fees at a level provided to the Commission’s FY 2012 appropriation of \$339,844.00).

<sup>7</sup> See FY 2014 Budget at 41; 2013 Appropriations, at Division F, § 1303. These auction revenues cover “the personnel and administrative costs required to plan and execute spectrum auctions; operational costs to manage installment payments and collections activities; development, implementation, and maintenance of all information technology systems necessary for Auctions operations, including development of a combinatorial bidding system; and a proportional share of the general administrative costs of the Commission based on the split of direct FTE hours charged to auctions in the previous year.” FY 2014 Budget at 41.

for 194 FTEs (of which 122 appear to be in the Wireless Telecommunications Bureau (“WTB”)) that are not included in the regulatory fee calculations, whereas wireless regulatory fees cover 98 direct FTEs in WTB.<sup>8</sup> Thus, spectrum auction proceeds, paid largely by commercial mobile radio service (“CMRS”) licensees, cover more than half of the WTB FTEs that otherwise would be covered by wireless regulatory fees. So, unlike any other Commission regulatees, spectrum auction winners already pay for the right to serve their customers through auction payments for spectrum license rights – with *those auction payments alone* accounting for more than 20 percent of the Commission’s overall budget.

To put this data into context, under the current fee mechanism, ITSPs would be responsible for approximately 31.8 percent of the Commission’s budget for FY 2013.<sup>9</sup> By contrast, wireless regulatees would be responsible for approximately 33.3 percent of the FCC’s budget for FY 2013.<sup>10</sup> Thus, the chart in the *Notice* that compares the Wireline Competition Bureau’s (“WCB”) share of total regulatory fees (46.7 percent) to the WTB share (16.8 percent) grossly misjudges ITSP and wireless contributions to the Commission’s overall administrative

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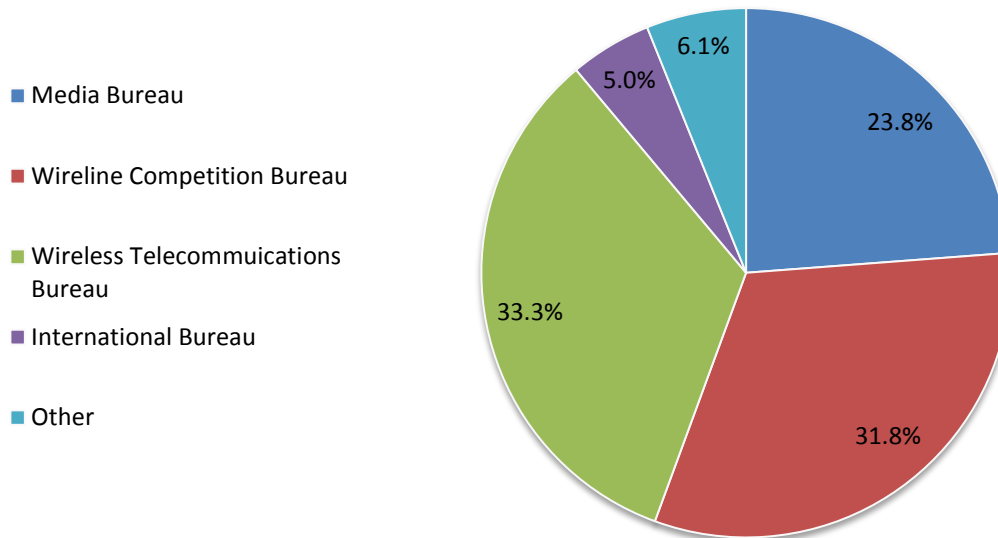
<sup>8</sup> See *Notice*, ¶ 7 n.12. The Commission’s FY 2013 budget reflected 220 FTEs in the WTB. See FY 2014 Budget at 55. The difference between the total number of FTEs in the WTB (220) and the number of WTB FTEs who are not associated with auctions (98) as reported in the *Notice* is 122 FTEs. Without further data from the Commission, CTIA assumes that these 122 WTB FTEs are covered by auction revenues.

<sup>9</sup> The *Notice* proposes to collect \$146,250,000 in ITSP regulatory fees if the Commission maintains the same FTE percentage allocations as in prior years (see *Notice* at Attachment A1), which is approximately 31.8 percent of the Commission’s \$460.5 million FY 2013 budget.

<sup>10</sup> The *Notice* proposes to collect \$54,570,000 in CMRS mobile regulatory fees if the Commission maintains the same FTE percentage allocations as in prior years (see *Notice* at Attachment A1). This, combined with \$98.7 million of spectrum auction revenues, is approximately 33.3 percent of the Commission’s \$460.5 million FY 2013 budget. CTIA notes that its estimate is conservative because wireless regulatees other than CMRS mobile providers (e.g., CMRS messaging, BRS, and LMDS providers) also pay regulatory fees.

costs.<sup>11</sup> Indeed, the following chart provides a more accurate accounting of each sector's contribution to the Commission's FY 2013 budget:<sup>12</sup>

### Industry Segments' Overall Share of Contributions to FY 2013 FCC Budget



Moreover, the success of the wireless marketplace cannot justify higher regulatory fees on wireless licensees. Congress intended that regulatory fees “be tied to the regulatory activities of the agency, and that an industry or class of users will not pay more than their fair share of costs because of

**Congress intended that regulatory fees “be tied to the regulatory activities of the agency, and that an industry or class of users will not pay more than their fair share of costs because of industrial growth or success.”**

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<sup>11</sup> See Notice, ¶ 16.

<sup>12</sup> The chart reflects the regulatory fees the Commission proposes to collect for each core bureau in FY 2013 as set forth in Attachment A1 of the Notice, except the total WTB percentage is conservatively composed of CMRS mobile fees and spectrum auction revenues but does not include revenues from other wireless regulatees. The “Other” category includes CMRS messaging, BRS, LMDS, and those fees that the FCC collects in advance to cover the term of the license, as well as any other source of funding (e.g., USF) for the FCC’s annual budget.

industrial growth or success.”<sup>13</sup> Thus, the only relevant inquiry in calculating the amount of regulatory fees to be recovered from wireless regulatees is how many FTEs work in the WTB excluding those FTEs covered by other revenues, such as auction revenues.

Any assessment of industry sector contributions to the Commission’s budget that fails to take account of spectrum auction proceeds – and any suggestion of inequities based solely on regulatory fees – fails to see the forest for the trees.

### **III. THE PROPOSAL TO SUBJECT WIRELESS LICENSEES TO THE ITSP REGULATORY FEE CATEGORY WOULD VIOLATE THE ACT AND WOULD OTHERWISE BE ARBITRARY AND CAPRICIOUS**

#### **A. The *Notice* Fails to Satisfy the Statutory Requirements For a “Permitted Amendment” to Congress’ Regulatory Fee Schedule**

The proposal to amend the regulatory fee schedule to include wireless regulatees in the ITSP fee category violates the statutory provision authorizing Commission use of regulatory fees. Specifically, Section 9(b)(3) of the Act authorizes the Commission to make “permitted amendments” to the regulatory fee schedule set forth in Section 9(g) only in response to changes in law and regulation that, in turn, change the relationship between a particular category of regulatees and the staff-hours spent regulating them.<sup>14</sup> As the D.C. Circuit has noted, Section 9(b)(3) “clearly limits the Commission’s authority to promulgate amendments” to the regulatory fee schedule to those “imposed in response to ‘rulemaking proceeding[] or change[] in law.’”<sup>15</sup>

The *Notice*, however, identifies no rulemaking or change in law that has caused the nature of the ITSP and wireless regulatory fee categories to warrant such fundamental changes in

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<sup>13</sup> H.R. Rep. No. 102-207, pt. 3 (1991). The provisions that became Section 9 of the Act were part of the Omnibus Budget Reconciliation Act of 1993. See Pub. L. No. 103-66, § 6003(a) (1993). The House Conference Report accompanying that legislation notes that the provisions regarding regulatory fees were “virtually identical” to those included in a previous bill, and incorporated by reference the analysis from the House Report, quoted here. H.R. Conf. Rep. No. 103-213, pt. 4 (1993).

<sup>14</sup> 47 U.S.C. § 159(b)(3).

<sup>15</sup> *COMSAT Corp. v. FCC*, 114 F.3d 223, 225 (D.C. Cir. 1997).



the regulatory fee structure for these industry segments. Thus, the Commission’s proposal to subject wireless regulatees to the ITSP regulatory fee category does not satisfy the necessary conditions set forth in Section 9.

**B. Combining ITSP and Wireless Regulatees Into a Single Regulatory Fee Category Also Would Be Arbitrary and Capricious**

The proposal to subject wireless regulatees to the ITSP fee is also ill-conceived.

Tellingly, the *Notice* does not even attempt to analyze or quantify the impact of combining wireless providers and ITSPs into one uniform fee category, but CTIA estimates that it would result in a 24 percent increase in overall regulatory fees paid by wireless regulatees.<sup>16</sup> This result would be unjustifiable and arbitrary and capricious.

The *Notice* fails to identify any viable reason that would warrant uniform treatment. The mere fact that voice service is provided over wireline and wireless facilities is not cause to combine the services into one regulatory fee category.<sup>17</sup>

Back when Congress established the regulatory fee schedule in Section 9, it was well aware that voice was provided over both types of facilities but chose to adopt separate wireless and wireline categories.<sup>18</sup> If the Commission wants to create a “voice provider”

**[W]hen Congress established the regulatory fee schedule in Section 9, it was well aware that voice was provided over both types of facilities but chose to adopt separate wireless and wireline categories.**

regulatory fee, moreover, it would have to combine a variety of different services into a new

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<sup>16</sup> The wireless share of a combined wireless and ITSP fee category would be roughly \$76,402,600, up from approximately \$58,000,000. This assumes that the combined category would collect the sum of the amounts calculated in the ITSP and CMRS fee categories for FY 2013 taking into account the FCC’s revised FTE allocations and capped fee rate increases (*see Notice*, Attachment A2), and then spreading that obligation over the combined wireline and CMRS revenue base. *See Universal Service Monitoring Report*, CC Docket Nos. 98-202, 96-45, at Table 1.1 and Supplementary Material (2012) (“USF Monitoring Report”), available at <http://transition.fcc.gov/wcb/iatd/monitor.html>.

<sup>17</sup> *See Notice*, ¶ 12.

<sup>18</sup> 47 U.S.C. § 159(g).

nonsensical regulatory fee category including satellite providers that offer voice services. This commercial service-driven approach to regulatory fees completely ignores the actual work done by Commission staff.

Incorporating wireless services into a wireline fee category also ignores the different WTB and WCB regulatory regimes and the distinct burdens that wireless and wireline regulatees impose on Commission staff. For example, wireline carriers are subject to a wide range of regulations and policies that do not apply to wireless carriers, including various tariffing requirements, rate regulation (*e.g.*, price cap, guaranteed rate-of-return), accounting and jurisdictional separations procedures. In addition, the detailed licensing framework for wireless regulatees starkly contrasts with the simple blanket domestic 214 authorization framework for wireline carriers. Consequently, the responsibilities and day-to-day work of FTEs in the WTB and WCB vary to a great degree and it makes no sense to combine them in one fee category.

Even where there are similar programs, it is not cause to combine wireline and wireless regulatees into one fee category. For example, the *Notice* cites universal service as a WCB function that encompasses the wireless industry,<sup>19</sup> but WTB FTEs participate significantly in the development and implementation of universal service policy (for example, the Mobility Fund is administered out of the WTB).

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<sup>19</sup> See *Notice*, ¶ 12.

**C. Imposing Both ITSP and Wireless Fees on Wireless Providers Would Subject Them to Duplicative and Exorbitant Assessments**

To the extent that the *Notice* might be read to propose subjecting wireless regulatees to pay both wireless regulatory fees and ITSPs, CTIA has argued strenuously against such proposals in the past,<sup>20</sup> and CTIA continues to oppose any such proposal here to the extent the Commission is considering a two-tiered wireless fee

structure. First, the *Notice* fails to explain which wireless regulatees and what part of their revenues would be subject to ITSP fees,<sup>21</sup> and thus is impermissibly vague.<sup>22</sup>

Second, the assessment would subject wireless regulatees to duplicative fee assessments. Moreover, CTIA estimates that requiring wireless regulatees to pay ITSP

**[R]equiring wireless regulatees to pay ITSP regulatory fees based on revenue in addition to their existing fees could result in an additional \$92.4 million increase in fees for wireless providers – without any reasoned justification.**

regulatory fees based on revenue in addition to their existing fees could result in an additional \$92.4 million increase in fees for wireless providers – without any reasoned justification.<sup>23</sup>

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To the extent either proposal (*i.e.*, a combined ITSP fee or duplicative assessments) is not rejected out of hand, the Commission must engage in further analysis and transparency given the

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<sup>20</sup> See Comments of CTIA – The Wireless Association, MD Docket No. 11-76 (June 2, 2011) (opposing a proposal to subject CMRS licensees to ITSP regulatory fees).

<sup>21</sup> Commercial wireless regulatees include CMRS mobile and messaging service providers, which pay regulatory fees on a per unit basis, as well as BRS and LMDS providers, which pay on a per license basis.

<sup>22</sup> See, e.g., *Florida Power and Light Co. v. United States*, 846 F.2d 765, 771 (D.C. Cir. 1988), *cert. denied*, 490 U.S. 1045 (1989) (holding that an agency “must provide sufficient factual detail and rationale for the rule to permit interested parties to comment meaningfully”).

<sup>23</sup> Without specific details about which wireless revenues would be subject to the ITSP fees, this calculation is based upon the total interstate and international total retail mobile service revenues as reported in the Supplementary Material of the USF Monitoring Report (\$24.646 million), multiplied by the proposed ITSP rate of \$0.003750 in Attachment A1 of the *Notice*.

considerable impact the proposal would have on regulatees. As the *Notice* observes, subjecting wireless regulatees to the ITSP fee cannot be implemented before FY 2014 in any event.

**IV. THE COMMISSION MUST ENSURE THAT ANY REALLOCATION OF FTEs WITHIN THE CORE BUREAUS IS CONSISTENT WITH SECTION 9 AND IS ADMINISTRABLE**

**A. CTIA Supports an Updated Accounting of FTEs in Each Core Bureau**

CTIA has long supported the apportionment of regulatory fees based upon a current accounting of the number of FTEs in each core bureau.<sup>24</sup> The Commission's proposal to use FTE data from September 2012 will help ensure that the regulatory fee mechanism more accurately reflects the work conducted by Commission staff.<sup>25</sup> The Commission also should continue to exclude from its regulatory fee calculations those FTEs who are funded via other mechanisms, such as spectrum auctions.<sup>26</sup> Further, the Commission should update its FTE data at regular intervals to avoid a situation – as we have here – where regulatees are paying fees based on outdated information.

**B. The Commission Should Reconsider its Proposals to Reallocate FTEs in the International and Wireline Competition Bureaus**

The Commission, however, should reconsider its proposal to reallocate the FTEs in the International Bureau (“IB”) and WCB. Based upon the limited data provided in the *Notice*, it appears that the Commission is attempting to recalibrate its FTE allocation to reduce fees for certain regulatees without identifying or applying a specific, uniform, and administrable standard. By not providing sufficient or appropriate analyses, the regulatory fee process

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<sup>24</sup> See, e.g., Comments of the Cellular Telecommunications Industry Association, MD Docket No. 00-58 (Apr. 24, 2000); Reply Comments of CTIA – The Wireless Association, MD Docket No. 08-65, RM-11312 (Oct. 27, 2008); Comments of CTIA – The Wireless Association, MD Docket No. 11-76 (June 2, 2011); Reply Comments of CTIA – The Wireless Association, MD Docket Nos. 12-201, 08-65 (Oct. 23, 2012).

<sup>25</sup> See *Notice*, ¶ 16.

<sup>26</sup> See *2012 Regulatory Fees NPRM*, 27 FCC Rcd at 8467 n.19; *Notice*, ¶ 7 n.12.

continues to lack the transparency needed for parties to fully consider the Commission's reform proposals.<sup>27</sup>

Attempting to allocate FTEs of one core bureau across other bureaus threatens the administrability of the regulatory fee program. The Commission has previously acknowledged that this type of subtle parsing of each employee within a bureau is unworkable, could result in significant shifts of FTEs, and have a substantial impact on the size of individual regulatory fees year-to-year.<sup>28</sup> Indeed, the Commission previously attempted such a complex allocation methodology in 1997 and 1998, but abandoned it in 1999.<sup>29</sup>

Particularly troubling is the Commission's proposal to reduce the number of FTEs in IB from 119 to 27, a 77 percent reduction in IB FTEs.<sup>30</sup> The *Notice* fails to provide a governing standard and, if applied broadly, would upend the regulatory fee structure. As but one example, the *Notice* fails to explain why all FTEs in the IB front office would be treated to a different standard than front office personnel in other core bureaus, none of whom are considered indirect FTEs.<sup>31</sup> The IB regulatory fee allocation would be reduced from 6.3 percent to 5.99 percent (or lower if the Commission does not cap regulatory fee increases in FY 2013), even though IB would retain *all* current FTEs.<sup>32</sup>

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<sup>27</sup> See Government Accountability Office, *Regulatory Fee Process Needs to be Updated*, GAO-12-686, at 23-25 (Aug. 2012) ("*GAO Report*").

<sup>28</sup> See, e.g., *2012 Regulatory Fees NPRM*, 27 FCC Rcd at 8465 ("[I]f in one year the Public Safety and Homeland Security Bureau handles rulemakings related to broadcasting, but in the following year focuses on wireless services, the resulting shift in FTE allocations could have a substantial impact on the size of regulatory fees, which could then shift significantly again the very next year.").

<sup>29</sup> See *id.* at 8464-65.

<sup>30</sup> See *Notice*, ¶¶ 7 n.12, 28.

<sup>31</sup> See *id.*, ¶ 27.

<sup>32</sup> See *id.*, ¶ 16.

The *Notice* also seeks comment on “reallocating the direct FTEs for ITSP for FY 2013, based on current FTEs in the core bureaus, which would significantly decrease the regulatory fee allocation for ITSPs.”<sup>33</sup> The *Notice*, however, provides no further information about the potential reallocation of direct FTEs in the WCB, such as the standards by which the Commission proposes to make the reallocation, how many WCB FTEs might be reallocated, and the potential impact on regulatees. It would be arbitrary and capricious for the Commission to implement any reallocation of the FTEs in the WCB without providing parties sufficient time and information to adequately consider the proposal.

**The *Notice*, however, provides no further information about the potential reallocation of direct FTEs in the WCB, such as the standards by which the Commission proposes to make the reallocation, how many WCB FTEs might be reallocated, and the potential impact on regulatees.**

The existing framework in which the FTEs of each core bureau are considered direct FTEs without exception is a reasonable and administratively practical approach to comply with Section 9 of the Act.

## **V. THE COMMISSION SHOULD NOT ADD BROADBAND SERVICES TO THE REGULATORY FEE SCHEDULE**

In response to the Commission’s *2012 Regulatory Fees NPRM*, there was wide agreement across multiple industries that the regulatory fee schedule should not be amended to include broadband services.<sup>34</sup> Nothing has changed that would warrant a different conclusion only eight months later.<sup>35</sup> As CTIA previously explained, wireless regulatees would be double-taxed and unduly burdened by an assessment on broadband services because they currently pay

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<sup>33</sup> *Id.*, ¶ 11.

<sup>34</sup> *See, e.g.*, CTIA 2012 Reply Comments at 6-7; AT&T 2012 Regulatory Fees Comments at 4; Verizon 2012 Regulatory Fees Comments at 5; Clearwire 2012 Regulatory Fees Reply Comments at 2-4; NCTA 2012 Regulatory Fees Reply Comments at 6-8; USTA 2012 Regulatory Fees Reply Comments at 2.

<sup>35</sup> *See Further Notice*, ¶ 53 n.106.

regulatory fees based upon the number of units they have, which includes millions of subscribers that already receive wireless broadband services. Thus, CMRS regulatees and their customers would effectively be contributing twice for the same service, creating an unfair, inequitable and discriminatory tax on CMRS providers.<sup>36</sup>

Moreover, the difficulties involved in accurately assessing regulatory fees on broadband services are practically insurmountable. Broadband services are provided by a variety of different types of service providers, and the regulation of those providers cuts across multiple core bureaus and employees. Determining which employees and actions relate to the regulation and oversight of broadband services would be a herculean administrative task, with no assurances that an appropriate standard could be developed to ensure the fair and equitable division of payments among regulatees.

It also is questionable whether the Commission has authority under Section 9 of the Act to include broadband as a new regulatory fee category. There has been no predicate rulemaking or change in law that would allow the Commission to revise the regulatory fee schedule in this manner. Indeed, this proposal is at odds with Congressional policy to *not* regulate the Internet. Accordingly, CTIA renews its objection to assessing regulatory fees on broadband services.

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<sup>36</sup> Other wireless regulatees, who pay regulatory fees based on number of licenses, similarly would be double-taxed for wireless broadband services.

## VI. THE FCC SHOULD ENCOURAGE CONGRESS TO APPROPRIATE EXCESS FEES FOR FCC USE IN THE NEXT FUNDING YEAR

As CTIA and others pointed out last year, the Commission has over-collected on average two percent in regulatory fees over the past ten years, totaling approximately \$66 million in excess fees.<sup>37</sup> These fees, which are substantial, simply

sit in a separate account with the U.S. Department of Treasury and cannot be used without Congressional action. Accordingly, CTIA continues to urge the Commission to encourage Congress to address the

disposition of those excess regulatory fees. Specifically, Congress should authorize the Commission to use excess regulatory fees in the next funding year to reduce the collection requirement, which is common practice in other similarly-situated regulatory agencies.<sup>38</sup>

**[T]he Commission has over-collected on average two percent in regulatory fees over the past ten years, totaling approximately \$66 million in excess fees.**

## VII. CONCLUSION

The Commission should ensure that any measures to reform the regulatory fee mechanism are consistent with comments and recommendations herein.

Respectfully submitted,

CTIA – THE WIRELESS ASSOCIATION®

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<sup>37</sup> See *GAO Report* at 25; see also CTIA 2012 Reply Comments at 7; USTA 2012 Regulatory Fees Comments at 7-8; Frontier 2012 Regulatory Fees Reply Comments at 7-8; Intelsat 2012 Regulatory Fees Reply Comments at 11; SIA 2012 Regulatory Fees Reply Comments at 14.

<sup>38</sup> See *GAO Report* at 34.



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